

Message Text

UNCLASSIFIED

PAGE 01 JIDDA 04728 301338Z

50

ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 STR-04 FEAЕ-00 /070 W

----- 125172

R 301325Z JUN 75

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 1735

AMEMBASSY CAIRO

UNCLAS JIDDA 4728

E.O. 11652: N/A

TAGS: EFIN, SA, EG

SUBJECT: SAUDI/EGYPTIAN JOINT VENTURES

1. EMBASSY HAS NOW SEEN FORMAL TEXT OF ROYAL DECREES
ESTABLISHING TWO JOINT VENTURES WITH EGYPT UNDER THE DEPUTY
PRIME MINISTER. THESE ARE:

A) SAUDI/EGYPTIAN INDUSTRIAL INVESTMENT COMPANY. COMPANY
WILL BE CAPITALIZED AT \$100 MILLION. EACH COUNTRY WILL OWN
50 PERCENT, AND THE SAUDIS WILL MAKE ANOTHER \$300 MILLION IN
LOANS AVAILABLE TO THE COMPANY.

B) THE SAUDI/EGYPTIAN RECONSTRUCTION COMPANY. OWNERSHIP AGAIN
50 PERCENT; TOTAL CAPITAL \$50 MILLION WITH 100 MILLION IN
SAUDI LOANS PROMISED.

2. EGYPTIANS WILL PAY IN THEIR SHARE OF THE CAPITAL IN
EGYPTIAN POUNDS. SAUDIS WILL PAY IN DOLLARS.

3. COINCIDENTALLY, WE HAVE NOTICED TWO PRIVATE CORPORATIONS
HAVE BEEN FORMED. THESE ARE

A) ARAB INDUSTRIAL INVESTMENT COMPANY. THIS COMPANY
WILL UNDERTAKE PLANNING, IMPLEMENTING AND MANAGING A NUMBER
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JIDDA 04728 301338Z

OF JOINT VENTURE PROJECTS IN EGYPT AND SAUDI ARABIA.

COMPANY IS SAID TO BE CAPITALIZED AT \$25 MILLION, OF WHICH 60 PERCENT WILL BE SAUDI OWNED (REPORTEDLY TRIAD AND ARAB PROJECTS COMPANY) AND 40 PERCENT BY SHAMS (SUN) DEVELOPMENT AND CONSTRUCTION COMPANY (SIC). ONE PROJECT REPORTEDLY UNDERWAY IS A TOURIST ENTERPRISE COSTING \$300 MILLION NEAR THE PYRAMIDS. A PERMANENT INTER-NATIONAL TRADE CENTER COSTING \$400 MILLION IS ALSO MENTIONED.

B) THE ARAB RECONSTRUCTION COMPANY. THIS COMPANY WILL REPORTEDLY UTILIZE SAUDI CAPITAL AND EGYPTIAN HUMAN AND FINANCIAL CAPITAL IN HOUSING, CONSTRUCTION AND TOURIST PROJECTS UNDER THE EGYPTIAN LAW ON ARAB AND FOREIGN INVESTMENT.

4. IT IS, OF COURSE, CONCEIVABLE THAT THE NAMES OF THESE FOUR NEW COMPANIES JUST HAPPENED TO TURN OUT TO BE SO SIMILAR. WE RATHER BELIEVE, HOWEVER, THAT SOMEONE MAY BE COUNTING ON THE OFT-ENCOUNTERED PROBLEM OF TRANSLATION TO FURTHER THEIR OWN PERSONAL INTERESTS.

HORAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: JOINT VENTURES, BUSINESS FIRMS, INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975JIDDA04728
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750226-0580
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975064/aaaaadfo.tel
Line Count: 82
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 28 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 FEB 2003 by PhilliR0>; APPROVED <12 MAR 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SAUDI/EGYPTIAN JOINT VENTURES
TAGS: EFIN, SA, EG
To: STATE CAIRO
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006